

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 IO-14 AF-10 ARA-14 EA-12  
NEA-10 AGRE-00 CIAE-00 COME-00 INR-10 LAB-04  
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R 141748Z JUL 78  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 8159

UNCLAS SECTION 01 OF 02 LONDON 11174

E.O. 11652: N/A  
TAGS: EPAP, ETRD, ICO  
SUBJECT: COFFEE -- DECISIONS OF THE INTERNATIONAL COFFEE  
ORGANIZATION EXECUTIVE BOARD OF JUNE 22 AND 23,  
1978

REF: PILKAUSKAS/DERHAM TELCON AND A-399 7/13/78

1. IN ORDER TO PERMIT PREPARATIONS TO PROCEED FOR FORTHCOMING ICO MEETINGS, THE FOLLOWING EXCERPTS COVERING THE MOST IMPORTANT PORTIONS OF ICO DOCUMENT EB 1621/78 COVERING DECISIONS ADOPTED AT THE COFFEE EXECUTIVE BOARD IS TRANSMITTED BELOW:

"ITEM 4: SYSTEM OF INDICATOR PRICES.  
6. AT ITS 110TH MEETING HELD ON 9 AND 10 MAY 1978 THE BOARD TOOK NOTE OF A STATEMENT BY THE EXECUTIVE DIRECTOR

THAT THE USE OF INFORMATION FROM MARKETS OTHER THAN NEW YORK TO EXPAND THE BASE FOR CALCULATING INDICATOR PRICES WAS BECOMING A MATTER OF URGENCY AND, IN THE LIGHT OF ITS DISCUSSION THEREON, ADOPTED THE DECISIONS SET OUT IN PARAGRAPHS 7, 8 AND 9 OF DOCUMENT EB-1618/78.

7. WITH REFERENCE TO SPECIFIC MATTERS RAISED IN PARAGRAPH 7 OF DOCUMENT EB 1618/78, THE EXECUTIVE DIRECTOR  
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INFORMED THE BOARD THAT:  
(A) PROCEDURES FOR THE COLLECTION, TRANSMISSION AND CALCULATION OF THE DAILY INDICATOR PRICES OF OTHER MILDS ON THE BREMEN AND HAMBURG MARKET, SIMILAR TO THOSE CONTAINED IN DOCUMENT EB-1431/76 REV. 1 FOR THE INDICATOR PRICE SYSTEM AT PRESENT IN FORCE, HAD BEEN PREPARED AND WERE BEING SENT TO THE TRADE ASS-

OCIATIONS IN BREMEN AND HAMBURG FOR THEIR COMMENTS;  
(B) DISCUSSIONS HAD BEEN HELD WITH THE NETHERLANDS COFFEE ASSOCIATION CONCERNING THE POSSIBILITY OF OBTAINING FROM THE AMSTERDAM AND ROTTERDAM MARKETS ON A DAILY BASIS, INSTEAD OF MONTHLY AS AT PRESENT, EX-DOCK PRICES FOR REPRESENTATIVE TYPES OF ROBUSTAS BASED ON A SUFFICIENT VOLUME OF COFFEE TRADED.

THOUGH IT WOULD APPEAR THAT IT MAY BE DIFFICULT TO OBTAIN PRICES ON A DAILY BASIS, DISCUSSIONS ARE CONTINUING;

(C) THE POSSIBILITY IS BEING EXAMINED OF OBTAINING DAILY EX-DOCK QUOTATIONS FOR ROBUSTAS FROM MARKETS IN FRANCE.

8. IN THE LIGHT OF AN EXAMINATION OF THE DOCUMENTS CIRCULATED AND OF THE STATEMENTS MADE, THE BOARD RECOGNIZED THAT IT MAY BE NECESSARY TO REFER CERTAIN OF THE MATTERS UNDER CONSIDERATION TO THE WORKING GROUP ON INDICATOR PRICES WHEN THE APPROPRIATE INFORMATION BECOMES AVAILABLE.

9. PENDING FURTHER CONSIDERATION OF THESE MATTERS AT ITS NEXT MEETING, THE BOARD DECIDED:

(A) TO TAKE NOTE OF THE DOCUMENTS CIRCULATED AND OF THE PROGRESS REPORTS ON DISCUSSIONS WITH THE TRADE ASSOCIATIONS IN THE FEDERAL REPUBLIC OF GERMANY, FRANCE AND THE NETHERLANDS;

(B) TO REQUEST THE EXECUTIVE DIRECTOR TO CONTINUE TO UNCLASSIFIED

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COLLECT INFORMATION ON THE PRICE OF ROBUSTA COFFEE ON THE MARKETS IN FRANCE, THE NETHERLANDS AND THE UNITED KINGDOM AND ON THE PRICE OF OTHER ROBUSTA COFFEE ON THE NEW YORK MARKET (THAT IS TO SAY, GROWTHS OTHER THAN THOSE USED IN THE INDICATOR PRICE SYSTEM) AND TO REPORT TO THE BOARD ON THE AVAILABILITY THEREOF;

(C) TO REQUEST THE EXECUTIVE DIRECTOR TO MAKE AVAILABLE AS SOON AS POSSIBLE THE PROCEDURES FOR THE COLLECTION, TRANSMISSION AND CALCULATION OF THE DAILY INDICATOR PRICES OF OTHER MILDS ON THE BREMEN AND HAMBURG MARKETS AND, IN ADDITION TO PREPARE A WORKING PAPER ILLUSTRATING THE POSSIBLE EFFECTS OF INCLUDING QUOTATIONS FOR OTHER MILD ARABICAS FROM THE BREMEN AND HAMBURG MARKETS IN THE INDICATOR PRICE SYSTEM;

(D) WITH REFERENCE TO THE COLLECTION AND CALCULATION OF THE DAILY PRICES OF ROBUSTAS ON THE NEW YORK MARKET FOR USE IN THE INDICATOR PRICE SYSTEM, TO AUTHORISE THE EXECUTIVE DIRECTOR TO INTERPRET FLEXIBLY THE PROVISIONS OF THE PROCEDURES CONTAINED IN DOCUMENT EB-1431/76 REV.1 IN RESPECT OF THE DEFINITION OF PROMPT SHIPMENT (SEE SUB-PARAGRAPH (A) OF PARAGRAPH 6 OF THE DOCUMENT) AND OF THE MINIMUM NUMBER OF QUOTATIONS TO BE SOUGHT FOR EACH

OF THE GROWTHS (SEE PARAGRAPH 9 OF THE DOCUMENT).  
RELATION BETWEEN ICO DAILY INDICATOR PRICES AND PRICES

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INFO OCT-01 EUR-12 ISO-00 IO-14 AF-10 ARA-14 EA-12  
NEA-10 AGRE-00 CIAE-00 COME-00 INR-10 LAB-04  
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NSC-05 SS-15 /128 W  
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FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 8160

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ON THE TERMINAL MARKETS IN LONDON AND NEW YORK.

10. THE BOARD TOOK NOTE OF A STATEMENT BY THE DELEGATE OF BRAZIL ON APPARENT DISCREPANCIES IN CERTAIN PERIODS BETWEEN ICO DAILY INDICATOR PRICES AND PRICES ON THE TERMINAL MARKETS IN LONDON AND NEW YORK. THE EXECUTIVE DIRECTOR UNDERTOOK TO INVESTIGATE THIS MATTER AND DISCUSS IT WITH THE DELEGATE OF BRAZIL.

ITEM 5. SYSTEM OF CERTIFICATES OF ORIGIN

11. THE EXECUTIVE DIRECTOR, AS CHAIRMAN OF THE WORKING GROUP, INFORMED THE BOARD THAT THE GROUP HAD COMPLETED ITS WORK. THIS HAD BEEN DONE ON THE DAY PRIOR TO THE MEETING OF THE BOARD AND, DUE TO LACK OF TIME, IT HAD NOT BEEN POSSIBLE TO SUBMIT TO THE BOARD THE FINAL REPORT OF THE GROUP. HOWEVER, SASDRAFT REPORT (BOARD WORKING PAPER NUMBER 205) WAS CIRCULATED INDICATING THE AMENDMENTS WHICH THE GROUP WAS PROPOSING TO THE DRAFT RULES FOR THE APPLICATION OF A SYSTEM OF CERTIFICATES OF ORIGIN WHEN QUOTAS ARE IN EFFECT AND THE MATTERS WHICH THE GROUP WAS REFERRING TO THE EXECUTIVE BOARD FOR CONSIDERATION.

12. IN THE LIGHT OF THE DISCUSSIONS AND COMMENTS ON THESE MATTERS, THE BOARD DECIDED:

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(A) TO TAKE NOTE OF THE REPORT OF THE GROUP AS AMENDED;  
(B) TO REQUEST THE EXECUTIVE DIRECTOR:  
(I) TO CIRCULATE AS SOON AS POSSIBLE THE REPORT OF  
THE GROUP AND THE TEXT OF THE DRAFT RULES IN-  
CLUDING THE AMENDMENTS PROPOSED BY THE GROUP;  
(II) TO CONTINUE CONSULTATIONS WITH THE EUROPEAN  
ECONOMIC COMMUNITY CONCERNING THE PENDING  
MATTERS REFERRED TO IN THE REPORT OF THE GROUP  
AND TO INFORM THE BOARD ABOUT THESE CONSULTAT-  
IONS AND PROVIDE IT WITH ANY RELEVANT INFORMA-  
TION THEREON.

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## Message Attributes

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